

December 15, 1997

MEMORANDUM TO: Distribution

FROM: Michael J. Rubino, Associate Director
Acquisition Services Branch

SUBJECT: Policy Memorandum 97-020, MWOB Contracting

1. Purpose. The purpose of this Policy Memorandum is to modify the Acquisition Policy Manual (APM) to clarify the definition of “minority and women owned business (MWOB),” and to amend the APM to reflect the new name of the Office of Diversity and Economic Opportunity (ODEO).

2. References. APM 3.A.4, *Minority and Women-Owned Business Program*, pages 3-1 & 3-2.

3. Scope. This Policy Memorandum is applicable to all Contracting Officers, Acquisition Services Branch and ODEO personnel.

4. Background.

a. The FDIC Office of Equal Opportunity has recently changed its name to the Office of Diversity and Economic Opportunity. The roles and responsibilities of this Office, as set forth in the APM, remains the same.

b. In order to ensure that FDIC has a consistent and enforceable definition of MWOB, the APM must reflect that an MWOB applicant must be at least 51 % unconditionally and directly owned and controlled by minorities or women.

5. APM Change. In accordance with the foregoing, the APM is revised as follows:

a. All APM references to the Office of Equal Opportunity (OEO) are changed to the Office of Diversity and Economic Opportunity (ODEO).

b. APM 3.A.5. (1) & (2) are deleted in their entirety and replaced as follows:

(1) **Minority-Owned business.** Firm(s) in which at least 51% of the ownership and control is directly and unconditionally held by one or more minorities. A firm which is principally owned by another business entity or by a trust (including employee stock ownership trusts) that is in turn owned and controlled by one or more minorities does not meet this definition. In the case

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of a firm which is a corporation, at least 51% of each class of voting stock outstanding, and 51% of the aggregate of all stock outstanding, must be unconditionally owned by one or more minorities. Additionally, the firm(s) management and daily business operations must be conducted by one or more minorities. The minority individuals must have managerial experience of the extent and complexity needed to run the firm. A minority owner's unexercised right to cause a change in the control or management of the firm does not constitute minority control and management, regardless of how quickly or easily the right could be exercised.

(2) **Women-Owned business.** Firm(s) in which at least 51% of the ownership and control is directly and unconditionally held by one or more women. A firm which is principally owned by another business entity or by a trust (including employee stock ownership trusts) that is in turn owned and controlled by one or more women does not meet this definition. In the case of a firm which is a corporation, at least 51% of each class of voting stock outstanding, and 51% of the aggregate of all stock outstanding, must be unconditionally owned by one or more women. Additionally, the firm(s)'s management and daily business operations must be conducted by one or more women. The women must have managerial experience of the extent and complexity needed to run the firm. A woman owner's unexercised right to cause a change in the control or management of the firm does not constitute minority control and management, regardless of how quickly or easily the right could be exercised.

6. Effective date. This Policy Memorandum is effective immediately.
7. Contacts. If you have any questions, please contact David McDermott at (202) 942-3434.

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